



Louisiana Housing Finance Agency

Full Board Meeting Minutes
Wednesday, July 9, 2008
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
11:30 A.M.

Commissioners Present

Wayne E. Woods
Allison A. Jones
John Kennedy (via Alice Washington)
Lisa Woodruff-White
J. Mark Madderra
Guy T. Williams
Maureen Clary
Michael L. Airhart
Fred L. Banks
Mayson H. Foster
Walter O. Guillory
Roy W. Lester
Joseph Scontrino, III
Robert Pernell
Tyrone A. Wilson

Commissioners Absent

None

Legal Counsel Present

Wayne Neveu, Foley & Judell
Keith Cunningham
Christine Bratkowski
Leslie Strahan

Staff Present

Milton J. Bailey
Barry E. Brooks
Melanie Brocato
Louis Russell
Urshala Hamilton
Robert McNeese
Curtis Ferrara
Tonika Jackson
Darlene Okammor

Alissa Jordan
Brenda Evans
Loretta Wallace
Jeff DeGraff
Eva Martinez
Ricky Patterson
Jatis Harrington
Alvin Johnson, Jr.
Kevin Harvey
Jason St. Romain
Calvin Parker
Sterling Colomb, Jr.
Collette Mathis
Lourie Brown
Demetria Farve
Nicole Carter
Wendy Hall
LaTosha Overton
Rene Landry
Amy York
Mary Antoon
Joe Durnin
Ruth Wesley
Danny Veals

Others Present

See Sign-In Sheet Attachment

Chairman Woods called the meeting to order at 11:50AM. Barry Brooks did the roll call, and thereafter a quorum was established. Next there was an introduction of guests in the audience. See Sign-In Sheet.

Chairman Woods noted that the May 22 and June 11, 2008, Board Meeting Minutes was being deferred until after the new commissioners had been sworn in.

CHAIRMAN'S REPORT

Chairman Wayne Woods began the meeting by swearing in Fred Banks as the newest member to the LHFA Board of Commissioners.

Chairman Woods then administered the Oath of Office to Mr. Banks.

Mr. Fred Banks introduced himself as the Executive Director for the Housing Authority of Denham Springs, and that he looked forward to trying to provide safe, sanitary, and decent affordable housing for everyone.

Chairman Woods then administered the Oath of Office to Mayson Foster.

Mr. Foster introduced himself as the Mayor of Hammond, and that his City was currently focusing on workforce housing and the developments thereof.

Chairman Woods then administered the Oath of Office to Walter Guillory.

Mr. Guillory introduced himself as the Executive Director of the Lafayette Housing Authority, and that one of his goals was to transition from renting to home ownership.

Chairman Woods then administered the Oath of Office to Roy Lester.

Mr. Lester introduced himself as a Licensed Real Estate Agent since 1971, and that he had previously worked with the Alabama Housing Finance Board.

Chairman Woods then administered the Oath of Office to Robert Pernell.

Mr. Pernell introduced himself as being from River Ridge and having over 30 years of experience in the construction industry and with the AFL/CIO.

Chairman Woods then administered the Oath of Office to Joseph Scontrino, III.

Mr. Scontrino introduced himself as the owner of a homebuilding business for the past 30 years.

Chairman Woods then administered the Oath of Office to Tyrone Wilson.

Mr. Wilson introduced himself as the President of the Wilson Group Realtors and Wilson Group Development in New Orleans.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Michael Airhart, the minutes of the May 22, 2008, Full Board meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.

On a motion by Vice-Chair Allison Jones and seconded by Commissioner Fred Banks, the minutes of the June 11, 2008, Full Board meeting were approved. There being no further discussions or oppositions, the matter was unanimously passed.

PRESIDENT'S REPORT

Milton Bailey began by thanking everyone for their efforts in getting HB 866 vetoed by Governor Jindal since the proposed legislation would have hindered the LHFA exclusively to hold public hearings throughout the state.

President Bailey also advised the Board that he had attended the Abundance Square Michaels Development groundbreaking event the previous week and had an opportunity to meet the new HUD Secretary and would be scheduling a following-up meeting thereof.

Next, LHFA Staff Attorney Keith Cunningham gave the Board an update on the past legislative session. He echoed that HB 866 had been vetoed and expressed his thanks to the nonprofits and others in their help thereof. He also noted that SB 590 authored by Senator Broome and enrolled as Act 228 Mortgage Foreclosure Counseling would allow the Agency to establish a program for free mortgage, foreclosure, counseling, and education for at-risk homeowners.

Mr. Cunningham also noted that HB 934 which was enrolled as Act 601 Blighted Housing Loan Fund was offered by Representative Templet and would provide a loan fund for parish municipalities to remove blighted housing.

Chairman Woods inquired as to whether the funds for which had all been appropriated. Mr. Cunningham replied that Representative Templet would be seeking funds for his bill during the next legislative session.

Chairman Woods also wanted it noted that the Agency had never previously received any state appropriations outside of the 2007 \$25M Housing Trust Fund.

Commissioner Pernell inquired as to where the funding was coming from for SB590. Mr. Cunningham replied that the bill allows the Agency to receive outside grants, and that the Agency has previously worked with NeighborWorks on similar programs.

Mr. Cunningham continued noting that HB 1156 which was Act 748 Grants for Grads would assisting with housing down payments grants for recent college graduates up to \$10K.

Chairman Woods noted that the funds from which would come from previous taxes paid by the applicant.

Commissioner Woodruff-White expressed her thanks to Mr. Cunningham and Chairman Woods for the great job they did handling the legislation. She also noted that she would like to see the Agency more proactive in future legislative endeavors.

LEGAL COMMITTEE

Vice-Chair Allison Jones advised the Board that the Legal Committee had met earlier and discussed the new Ethics Laws, requirements for new Board members, and Financial Disclosure parameters.

MULTIFAMILY RENTAL HOUSING COMMITTEE REPORT

President Milton Bailey began by giving everyone a brief analysis of the Czars and how they function. He noted that the Czars comprised himself, Chairman Woods, and Multifamily Chairman Mark Madderra. He noted that the group was formed after a suggestion from Commissioner Kennedy that three individuals that represented that Board and the Agency be formed to provide preliminary evaluations on issues that relate to tax credits and then present recommendations for the Board's consideration and ratification thereof.

Commissioner Mark Madderra noted that items that are not deemed within the Czar's jurisdiction (i.e., a material change request) are deferred for Board and Committee discussions. He also noted that most items discussed by the Czars are of a technical nature or for clarification of requests.

Chairman Woods noted that the Czars mainly handle time sensitive matters (i.e., items about to close) and that all Czar actions are ratified by the Board.

Commissioner Foster inquired as to whether there was any public input or notice and were other commissioners invited to participate in Czar discussions.

Chairman Woods advised the Board that other commissioners are welcome to participate in Czar discussions but that in the past most commissioners had declined due to the amount of time spent on the many telediscussions.

Commissioner Fred Banks requested that he be given notification of all future Czar discussions.

Brenda Evans introduced the first item for discussion, advising the Board that the review materials were in their board binders on MF 14 and that it involved five projects. She noted that the 1st three projects are for Place In Service extension requests until December 31, 2009. And, that the Macadoo SRO project was requesting carryover until June 30, 2008. And that the LOR/ROS Residences project was requesting a July 31, 2008 extension.

Chairman Woods gave the Board a brief analysis of Place In Service and Carryover.

Brenda Evans defined Placed In Service as the 24 months given to put a project in use from the date of the tax credits issuance. She noted that December 2010 was the PIS date for the current GO Zone tax credits. She defined Carryover as the mandate of Section 42 of the IRS code that requires developers to use 10% of their tax credit allocations within the first one year of issuance.

On a motion by Commissioner J. Mark Madderra and seconded by Commissioner Mayson Foster, the resolution ratifying decisions made by the “Czars” as designated by the Board of Commissioners of the LHFA regarding the projects following; South Range Homes I and II #06®-440/#06(R)-441 (S. Range Road, Hammond LA 70404, Tangipahoa Parish); Elmwood Homes #06(2)-329 (Elmwood Park Drive, New Orleans, LA, Orleans Parish); Macadoo SRO #07/08(PC)-054 (1002 Texas Avenue, Shreveport, LA, 71101, Caddo Parish); LOR/ROS Residences LP #06(2)-308 (Clifford Court, Waggaman, Louisiana, 70094, Jefferson Parish); and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

Commissioner Madderra explained that the next item up for discussion primarily dealt with GO Zone projects that were facing a deadline for closing at the end of June 2008 and had experienced problems due to the problems in the market and where short credits to be able to get their deals closed or had gaps in financing their deals.

Brenda Evans furthered noting that April 30, 2008 was the deadline for developers to submit their documentations that their projects were moving towards closing and there were no material changes and that the info submitted had been verified by Agency staff. The details of which are in the board binders on MF 25. She noted that projects were all set for 6/30/08 closing and that the staff recommends an 8/30/08 close. Additionally, that item #1,2,3,8,10, and 11 needed extensions but needed no additional resources.

Commissioner Clary inquired as to what would happen if the 8/30/08 deadline was not met. Ms. Evans replied that if the project cannot close then the tax credits must be returned to the Agency.

Ms. Evans advised the Board that GO Zone projects needing time and additional resources were listed on page 2 of 7 via items 12-34.

Commissioner Airhart inquired as to what was the cause for the developers being unable to close. Ms. Evans replied it was the credit crisis and syndicator financing problems. And, that for the Old Morrison Homes project it was due to the project not getting additional tax credits for any CDBD funding.

There were several lengthy discussions amongst the Board, staff, and several audience members (see verbatim transcript).

Thereafter, Will Belton, a member of LAPP and principal owner of AAMGIN Property Group, addressed the Board noting that items #34 and 35 were his properties and that he seeks to be proactive in his properties. He then went over and distributed the State New Market Tax Program which was sponsored by Senator Broome and noted that there was a section thereof carved out for housing. He furthered noted that he had been involved in meetings with the legislature and Governor Jindal to help find solutions to solving the gap financing problems. He advised the Board that the QAP suggests other options such as recapturing and issuing captured credits at a later date.

Chairman Woods advised Mr. Belton that other options might possibly affect the December 31st PIS deadline if the tax credits are reissued for a later date. Mr. Belton noted that his syndicator was prepared to move forward if the Agency fills his financing gap.

President Bailey advised Mr. Belton that he was aware that the legislature had created a New Market Tax Credit program but that it did not promote mixed-use housing projects and that the legislation thereof was in contrast to the current situation. Mr. Belton did concur that there were some technical conflicts in the language of the bill. Thereafter, Chairman Woods read to everyone the letter from Senator Broome.

Commissioner Woodruff-White inquired as to whether there was a need for an appeal process to the QAP. Chairman Woods advised her that the QAP does not give any leeway for additional considerations and therefor precludes any appeals process.

Commissioner Madderra noted that the agency has only recaptured \$10M of \$165M tax credit allocations which was a 94% success rate. And, that the Agency doesn't do any site change requests unless there is a very compelling public good.

There was continued further discussions on the matter between the Board, staff, and the audience members.

Next were speakers Verlyn Foley and Harold Foley requesting a site change from St. Tammany Parish to Jefferson Parish. She stated one of the reasons was because of an health issue due to possible PAH polyaroma exposure from the adjacent railroad tracks. She noted that they were not asking for an extension of time or additional credit and in fact has a commitment from a syndicator and could begin construction immediately since they had received all necessary permits. She also noted that the name of the complex was Brickwood which consisted of 72 units going from multifamily to single family development.

Chairman Woods inquired as to whether the current info versus the original info given to the Agency would be scored differently.

Commissioner Woodruff-White noted that she supports any request wherein there are health-related concerns but also does not want any social aspects negated.

Mrs. Foley advised that the new site has similar if not more amenities such as a Wal-Mart, grocery stores, etc.

Chairman Woods noted previous Terrytown NIMBYism experiences and that he was not aware that any notice provisions for the new site had been done yet.

Commissioner Madderra also noted that there was a rental housing moratorium in effect in the area and therefore how ere building permits acquired. Mrs. Foley stated that they got the permits during the moratorium and the Parish President was supportive of the project and was present at the groundbreaking in Terrytown.

Dr. Harold Foley advised the Board of the continued loss in equity and capital with the continued delays; and that they would be able to close by August 30, 2008.

Chairman Woods reiterated his concern about the site change in so far as the original scorings are involved. Ms. Evans advised him that a review of the original QAP would have to be reviewed in order to reach a conclusion thereof.

Chairman Woods also noted that the staff has denied two previous site change requests due to material change and lack of due diligence support thereof.

Dr. Foley advised the Board that tremendous resources had already been exhausted in the project; that they had experience in completing 15 similar matters; and that they would be able to guarantee completion of the deal in 50 days. Mrs. Foley also noted for the Board the continued downward spiral in the market and the possible increase in pricing at the end of the year if the deal is furthered delayed.

Ms. Evans noted that if the request is approved the application would have to be preview with firm assurances from the syndicator, that the Board would have to notify the municipality and process other due diligence measures, and that it would take at least two (2) weeks as it would be considered a new request with a 15-day notice period.

Commissioner Madderra noted that the developer was informed previously that site changes would not be considered unless there were overwhelming circumstances and that the Board and Agency need to be consistent in its decisions. He furthered that he did not feel that the Board was in a position to render a decision and needed more time to review the request.

Chairman Woods thereafter read for everyone the previous Board Policy on site change requests.

Next was speaker Diane McKeiger, President of D & A Development, requesting to speak to the Board about Matthews Towers. She noted that the project was a 97-unit 7-story senior housing dwelling and that 50% of it previous tenants would like to return back. She then went over the HUD elevation flood plain parameters; and advised that she was having trouble finding an investor and wanted to be able to come back at a later time with a letter of commitment from an investor.

Ms. Evans continued and went over the Per Capita projects

There was an abundance of discussion between the Board and staff.

On a Substitute Motion by Commissioner Lisa Woodruff-White and seconded by Alice Washington obo Commissioner Kennedy, the resolution providing for the additional funds for the State's 2006, 2007/2008 GO Zone and Per Capita Qualified Allocation Plan as it relates to the Closing Extensions and Financing Funding Gap Initiative of certain residential rental facilities as outlined in Exhibit A and the recapture of certain credits; and providing for other matters in connection therewith, would be approved based on staff recommendations but would also defer for five (5) additional days to allow developers to submit additional information.

Wayne Neveu advised the Board that site change issues cannot be resolved via an extension of time.

Vice-Chair Jones offered a move to approve the sites and extend the deadline for the sites on the denial list for thirty (30) days as a possible option.

Wayne Neveu countered that the motion as such would have to amend the QAP first in order to extend any deadlines thereof.

Commissioner Woodruff-White noted that she supports the precedent but feels that the social components of the request as presented to the Board was too overwhelming to ignore.

Chairman Woods advised all that it may be a good idea after all to hold off until the next Board meeting before voting on the matter in order to give the Agency more time to review and analyze the matter.

Commissioner Clary noted her concern on the fairness to those sites that did go thru the process even with a site change and no syndicator.

Commissioner Woodruff-White thereafter withdrew her motion.

On a Substitute Motion by Vice-Chair Jones and seconded by Commissioner Woodruff-White, to approve the projects on the approval list and amend the QAP to extend projects on the denial list for further review until next Board Meeting.

Commissioner Madderra advised the Board that he did not want a blanket extension given because it benefits those who address the Board directly but leaves out those who have abided by the QAP, and that decisions by the staff had followed the criteria previously set by the Board.

Vice-Chair Jones thereafter withdrew her motion.

Commissioner Pernell noted that the 30-day extension motion would only benefit one person but would still give all an opportunity rather than singling out any one person for an exception.

Vice-Chair Jones thereafter withdrew her previous motion to withdraw.

Chairman Woods noted that the final motion on the floor is that the resolution would be approved with the approvals and the projects that have denials will have an additional 30 days until the next Board meeting to work out whatever issues are unresolved. Commissioner Wilson requested a roll call vote be done.

Roll Call Vote: YES 6 (Woodruff-White, Washington obo Kennedy, Jones, Foster, Pernell), NO 9 (Madderra, Williams, Clary, Airhart, Banks, Guillory, Lester, Scontrino, Wilson) – Motion FAILED.

On a Substitute Motion by Commissioner Madderra and seconded by Vice-Chair Jones, it was offered that project Number 36 (the Matthew Towers) be granted an additional sixty (60) day extension until August 30, 2008, in order to allow the project to finalize the appropriate HUD approvals.

On a motion by Commissioner Madderra and Seconded by Vice-Chair Jones, the Board agreed to accept the recommendation of staff with regard to the approvals and also to allow Cypress Estates time to iron out any technical difficulties with regard to their feasibility and viability study; and to allow Matthew Towers until August 30, 2008. There being no further discussions or oppositions, the matter was unanimously passed.

Next item discussed was the Lightning Round. Ms. Evans advised the Board that the draft of the parameters thereof was on page MF-35. Also, that the applications were due by Tuesday, August 12, 2008. She also noted that project must have minimum specifics including architect

certifications that adhere to federal housing and ADA aspects. Additionally, there is a \$50K good faith deposit requirement from the developers that will be credited should they be awarded their tax credits and if they are not awarded just because they did not score enough the deposit will be returned to them. In the event they are awarded and the project does not move forward timely then the \$50K would be forfeited to the housing trust fund.

President Bailey requested that Tommy LaTour from OCD address the Board, who gave some comments on the Lightning Round matter.

There was thereafter discussion amongst the Board and Mr. LaTour on the environmental checklist aspects. Mr. LaTour expressed his concern that if the time parameters are too stringent that process will overshadow OCD and federal expectations thereof.

The next speaker was Tom Vaccaro who inquired as to the amount available in CDBG piggyback dollars per application and also what the tax credit amount was for the Lightning Round.

Ms. Evans replied that the Per Capita maximum was 700 and the GOZone was 1.52M.

Commissioner Madderra requested a memo be sent to all concerned with the specifics and detail to resolve any clarification issues. He also requested an amendment to reflect that the 5 projects (#34, 35, 38, 39, 40) be waived the \$50K deposit if they apply in the Lightning Round.

Mr. Foley addressed the Board and requested an additional fifty (50) points be added to projects that are denied.

There was further discussion amongst the Board and staff on the aforementioned matters.

On a motion by Commissioner Madderra and seconded by Commissioner Pernell, the Board adopted the resolution with the additional OCD changes and the waiver of the \$50K for projects #34, 35, 38, 39, 40, and that the per capita items that were denied be granted a waiver of \$50K per capita. There was varied discussion and opposition to the matter as presented.

A roll call vote was requested by Commissioner Foster to Vice-Chair Jones.

Roll Call Vote: YES 11 (Woodruff-White, Washington obo Kennedy, Jones, Madderra, Airhart, Banks, Foster, Guillory, Lester, Pernell, Wilson); NO 3 (Williams, Clary, Scontrino) Motion PASSED.

On a motion by Commissioner Madderra and seconded by Commissioner Pernell, the Board adopted the resolution providing for the parameters under which unreserved GO Zone and Per Capita LIHTC credits will be reserved to certain residential rental facilities; amended with the additional OCD changes and the waiver of the \$50K for projects #34, 35, 38, 39, 40, and that the per capita items that were denied be granted a waiver of \$50K per capita; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions, the matter was passed by a vote of 11 to 3.

President Bailey advised everyone of the tentative date for the upcoming LHFA Syndicators Symposium was July 29th at LHFA, but may change due to the AAHP convention during the same week in Texas.

Commissioner Woodruff-White encouraged the staff to consider project previously denied having some type of priority scoring in the upcoming Lightning Round process.

Commissioner Williams disagreed and stated that it would be unfair and disadvantageous to give priority scoring to those projects previously denied, as suggested by Commissioner Woodruff-White. His sentiment was likewise concurred on by Commissioner Clary.

President Bailey requested that the Board allow the staff time to review the matter for a resolve.

SINGLE FAMILY COMMITTEE REPORT

First item to be discussed was the 2007C Issue. Ms. Evans advised the Board that the 2007C Program had utilized all of its funds. She also noted that the current Single Family issues were not marketable due to current market conditions and there was a need for an additional \$5M.

There were some further lengthy discussions between the Board and Mr. Guy Yandel from George K. Baum, who gave an analysis of the loan aspects and rates thereof.

On a motion by Commissioner Michael Airhart and seconded by Commissioner Joseph Scontrino, the resolution authorizing the Agency to take \$5,000,000 of loan reservations and the Certificates to be delivered in the following order: 1) Deliver Certificates to 2007 Program if there is fall out, AND/OR 2) Deliver Certificates to 2008A Program if there is no fall out in the 2007 Programs and Mortgage Rates work in favor of a 2008A Bond Issue, AND/OR 3) Deliver Certificates to the Agency's General Fund if there is no fall out in the 2007 programs and Mortgage Rates do not work out for a 2008A Bond Issue; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

SPECIAL PROGRAMS COMMITTEE

LHFA Program Administrator Loretta Wallace advised the Board that two (2) applications submitted for funding from the Housing Trust Fund had withdrawn their applications. The two were St. Tammany and St. Tammany West. Staff Attorney Leslie Strahan also noted that the two entities had likewise withdrawn their application for waivers also.

Ms. Wallace continued by giving the Board a brief history of the \$25M Housing Trust Fund noting it had been awarded to the Agency in 2007 to be used for financing of rental and home ownership development housing. And, that the staff has issued an RFP and received 63 applications totaling \$39M in funds requested. She advised the Board that the issue before them dealt with the waiver requests received.

Commissioner Woodruff-White inquired as to the process used in general overall denial criteria of the waiver requests.

Additionally, Commissioner Foster inquired as to the necessity of granting waivers. Commissioner Clary responded that the application allows for waivers in certain compliance issues. Ms. Strahan followed up noting that the Board approved the HTF guidelines and allowed for waivers therein, but that the waivers requests were viewed by the high probability of delays that the request could cause. President Bailey concurred advised that Board that timeliness was of the essence in order to expend the funds in the matter that the HTF was originally created.

Commissioner Williams advised the Board that Preservation Resource would like a waiver to not have to widen the width of their doorways. President Bailey countered noting that widening of doorways fits within the ADA needs and is a justifiable request.

There was further lengthy discussion between the Board and staff on the aspects of the Preservation Resource aforementioned matter.

Tammy LeBlanc of DHH addressed the Board on the matter and noted that the ADA takes precedent over other regulations and that the DHH supports such endeavors as widening doorways.

On a motion by Vice-Chair Jones and seconded by Commissioner Clary, the Board approved the staff recommendations of Waiver Requests for the 2007-2008 Louisiana Housing Trust Fund; and providing for other matters in connection with the foregoing, was adopted. There being no further discussions or oppositions, the matter was unanimously passed.

OTHER BUSINESS

Developer Neil Morris addressed the Board requested clarification on the Trust Fund QAP timeline. Ms. Wallace advised that she anticipated final rankings available by the August Board Meeting.

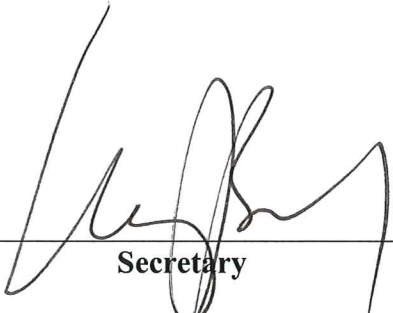
Commissioner Woodruff-White reiterated to the LHFA staff the need to make sure the Senator Lydia Jackson, the originator of the Housing Trust Fund, be brought up to date on the progress of the program.

ADJOURNMENT

There being no other matters to discuss, Vice-Chairs offered a motion for adjournment that was seconded by Commissioner Woodruff-White. There being no further discussions or oppositions, the matter was unanimously passed. **The Full Board meeting adjourned at 4:00PM.**



Chairman



Secretary